

Comments

I have a suggestion as to how to keep rates from increasing too much. The electric grid is underutilized at night. If we use the grid more at night, its cost will be amortized over a larger base. A large portion of our residential home heating load is at night in the winter. If we convert our houses from natural gas furnaces to ground source heat pumps, more electricity will be used at night. I have given you my suggestion as to how to provide incentives for ground source heat pumps.

Bruce Stenswick
Eden Prairie
2/12/16

Here is another idea for controlling electrical rate increases. Part of the reason for rate increases is the move to renewable energy. The utilities are required to get 1.5% of their electricity from solar by 2020 or 2021, of which 1/10 has to be residential. I am not sure of the conditions on this. I think you should remove the residential rooftop solar requirement from the utilities burden and fund it by tax credits at the state level. I will also offer a mechanism which I think will keep costs down.

The problem with incentives, is how to set the incentives. If you set them too low, not enough people will install solar. If you set them too high, you will get lots of solar installed, at an excessive cost to other ratepayers or taxpayers.

Here is what I think you should do for rooftop residential solar. Set a goal for the state for residential rooftop solar, let's say 1 MW or 1000 kw per month. I think that is a reasonable number for the whole state. You start by offering a 10% tax credit. When the customer signs a contract and makes a deposit, a copy of the contract is sent to the state Department of Commerce. Each month you total up the contracts. If you are within 10% of the goal, everything stays the same for the next month. If the total is under 900 kw, you increment the tax credit to 11%, if the total is over 1100 kw, you decrease the tax credit by 1% to 9%. You repeat this process every month, never increasing or decreasing by more than 1%. The marketplace will adjust and you will get the amount of solar you deem necessary at market prices.

Bruce Stenswick
Eden Prairie
2/14/16

I would like to hear perspectives on the following two questions:

1. What rate impact is expected from the implantation of the clean power plan?
2. What measures will be used to verify that the system reliability will remain high with the implementation of the CPP?

Tom Butz